

Message Text

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PAGE 01 MADRID 03592 261243 Z

45

ACTION XMB-07

INFO OCT-01 EUR-25 ADP-00 EB-11 CIAE-00 INR-10 NSAE-00

RSC-01 RSR-01 SSO-00 INRE-00 COME-00 TRSE-00 L-03

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O 261202 Z JUN 73

FM AMEMBASSY MADRID

TO SECSTATE WASHDC IMMEDIATE 6076

LIMITED OFFICIAL USE MADRID 3592

E. O. 11652: N/A

TAGS: EFIN

SUBJECT: SAGUNTO STEEL MILL (AHM) PROJECT

REF MADRID 3568; STATE 122634

1. FOR EXIMBANK, DON BOSTWICK. EMBOFF RECEIVED CALL FROM FINANCE MINISTRY' S UNDER- SECRETARY- TO- BE FERNANDEZ ORDONEZ MORNING OF JUNE

26. HE INFORMED THAT IT WOULD BE IMPOSSIBLE FOR ANY FURTHER DOCUMENTATION TO BE SIGNED BY THE GOS, EITHER IN THE FORM SUGGESTED BY EXIM' S MCCULLOUGH AND CORRETER OR OTHERWISE. FERNANDEZ ORDONEZ SAID THAT HE HAD CONSULTED WITH SEVERAL PEOPLE WITHIN HIS GOVERNMENT, MOST IMPORTANTLY THE MINISTRY' S LEGAL DEPARTMENT. THE ADVICE HE RECEIVED WAS THAT THE DECREE WAS QUITE CLEAR THAT IN THE EVENT OF AHM' S ENCOUNTERING DIFFICULTIES THE GOVERNMENT WOULD STEP IN AND THEREFORE EXIM SHOULD HAVE NO WORRIES. ANY MORE SPECIFIC ASSURANCES ALONG THE LINES THE EXIM HAS BEEN SEEKING WOULD SUFFICIENTLY ALTER THE BIDDING CONDITIONS AS ESTABLISHED IN THE DECREE AS TO CAUSE LEGAL PROBLEMS AS WELL AS BE UNFAIR TO THE OTHER BIDDERS. THE ONLY DEVICE WHICH WOULD HAVE ENABLED EXIM TO RECEIVE THE SORT OF ASSURANCES IT IS SEEKING WOULD BE A MINISTERIAL DECREE, WHICH IS A MONTH' S LONG PROCESS. HE FURTHER ADDED THAT NOT ONLY WAS THE

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PAGE 02 MADRID 03592 261243 Z

MINISTER UNABLE TO SIGN ANYTHING, BUT SO ALSO WOULD IT
BE COMPLETELY IMPOSSIBLE FOR HIM TO DO SO.

2. THE RESPONSE FROM FERNANDEZ ORDONEZ SEEMS THE
DEFINITIVE AND LAST WORD FROM THE GOS ON THE SUBJECT.
THEREFORE, THERE EXISTS NO FURTHER POSSIBILITY OF OBTAINING
DOCUMENTED ASSURANCES FROM THE GOS OF THE TYPE THAT
EXIM IS SEEKING IN THE TIME THAT REMAINS BEFORE THE BIDS
ARE TO BE ADJUDICATED ON JUNE 30. FURTHERMORE, AS IN PREVIOUS
MESSAGES, AHM IS CIRCUMSCRIBED
BY THE NATURE OF THE DECREES FROM DOING ANYTHING FURTHER
EITHER WHICH WOULD GO TOWARDS PROVIDING EXIM ANY ADDITIONAL
SECURITY. THIS BEING THE CASE THE EMBASSY WOULD APPRECIATE
CONFIRMATION FROM EXIM THAT ITS POSITION REMAINS UNALTERED.
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*** Current Handling Restrictions *** n/a

*** Current Classification *** LIMITED OFFICIAL USE

Message Attributes

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Current Classification: UNCLASSIFIED
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Draft Date: 26 JUN 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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